

ORIGINAL

Decision No. 42484

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)

GLENN THOMAS to sell and)
C. B. SCHUCHARDT to purchase an)
automobile passenger line)
operating between Livermore,)
California and Arroyo Sanitorium)
and intermediate points.)
-----)

Application
No. 30015

O P I N I O N

In this application, the Commission is asked to make an order authorizing Glenn Thomas to sell, to C. B. Schuchardt, an automobile passenger certificate of public convenience and necessity and equipment.

The application shows that Glenn Thomas, doing business as Livermore Valley Stages, is engaged in the operation of an automobile line for the transportation of passengers between Livermore and Arroyo Sanitorium and intermediate points. In addition, he is engaged in the taxi cab business in Livermore. (1) The application further shows that he desires to retire from said operations, and accordingly has made arrangements to sell his business and property to C. B. Schuchardt. A copy of the agreement of sale dated December 13, 1948, has been filed with the Commission in this proceeding.

(1)

Applicant Thomas reports his operating revenues from his passenger stage operations at \$11,321.15 during 1946, at \$13,106.48 during 1947 and at \$11,134.55 for the first eleven months of 1948. He reports a net loss of \$2,308.91 in 1946, of \$988.92 in 1947 and of \$1,682.39 in the first eleven months of 1948.

The properties to be transferred include a certificate of public convenience and necessity acquired by applicant Thomas under authority granted by Decision No. 37913, dated May 22, 1945, three buses used in the passenger stage operations, and three sedans used in the taxi cab business. The agreed purchase price is \$11,152, of which \$3,852 is payable in cash and \$7,300 is to be evidenced by a note payable in monthly installments of \$200 or more, with interest at the rate of 6% per annum. The payment of the note will be secured by two mortgages of chattels, one covering the taxi cab properties and the other the passenger stage properties. (2)

C. B. Schuchardt is hereby placed upon notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be changed or destroyed at any time by the State, which is not in any respect limited to the number of rights which may be given.

The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

O R D E R

The Commission having considered the above entitled matter and being of the opinion that a public hearing thereon is

(2)

Applicant Schuchardt may execute the mortgage on his nonutility properties without obtaining the authorization of this Commission.

not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for through the issue of a note for \$7,300 is reasonably required by C. B. Schuchardt for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Glenn Thomas, after the effective date hereof and on or before March 31, 1949, may sell to C. E. Schuchardt the certificate of public convenience and necessity and the passenger stage properties referred to in the preceding opinion, said sale to be in accordance with the terms and conditions of the agreement of sale dated December 13, 1948, on file in this application.

2. C. E. Schuchardt, after the effective date hereof and on or before March 31, 1949, in part payment for the properties to be acquired from Glenn Thomas under said agreement of December 13, 1948, may issue a promissory note in the principal amount of not exceeding \$7,300, payable in monthly installments of \$200 or more, with interest at the rate of 6% per annum.

3. C. E. Schuchardt, after the effective date hereof and on or before March 31, 1949, may execute a mortgage of chattels on his passenger stage properties, such mortgage of chattels to be in, or substantially in, the same form as that filed with the Commission in this application.

4. Applicants shall comply with the provisions of General Order No. 79 and Part IV of General Order No. 93-A, by filing, in triplicate, and concurrently making effective, appro-

private tariffs and time tables within sixty (60) days from the date hereof and on not less than one (1) day's notice to the Commission and to the public.

5. The authority herein granted will become effective when C. B. Schuchardt has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is twenty-five (\$25.00) dollars.

6. Within thirty (30) days after the issue of the note herein authorized, C. B. Schuchardt shall file with the Commission a copy of said note and mortgage as actually executed.

Dated at San Francisco, California, this 8th day of February, 1949.

A. Z. Anderson
Justin F. Crauer
Just L. Linnell
Harold H. Kils
Marion H. Potter
Commissioners

